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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

September 5, 1989

Mr. Allen Childs
Mine Engineer
Genwal Coal Company
P.O. Box 1201
Huntington, Utah 84528

Dear Mr. Childs:

Re: Permit Renewal Stipulation Responses, Crandall Canyon Mine,
ACT/015/032, Folder #3, Emery County, Utah

Genwal Coal Company's (Genwal's) response to stipulations to the five-year permit renewal for the Crandall Canyon Mine, received August 8, 1989, has been reviewed by the Division and the U.S. Forest Service.

Responses to both stipulations addressed have been found to be inadequate. Refer to the attached letter from the Forest Service regarding Stipulation USFS-(1). The response to Stipulation UMC 771.23-(1)-SCL has several deficiencies as follows:

Directors of Genwal and NEICO are not listed.

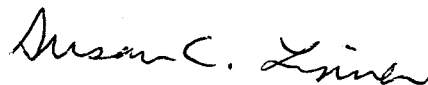
Section 2.9, page 2-9, lists Big Horn Coal Company as being controlled by Genwal. According to Richard Hinckley, Counsel for Nevada Power Company and Genwal Vice President, Genwal no longer has any interest in this company. This text should be changed to indicate that neither Genwal or NEICO have previously operated mining operations under any other names.

The Table of Contents lists a Plate 2-3, which is not contained in the Division's current copy of the Mining and Reclamation Plan.

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Crandall Canyon Mine
ACT/015/032

Please provide a response to these deficiencies by October 2, 1989. If you have any questions, feel free to contact me or Rick Summers, Reclamation Hydrologist.

Sincerely,



Susan C. Linner
Reclamation Biologist/
Permit Supervisor

c1
Attachment
cc: R. Summers
H. Sandbeck
G. Morris, Manti-LaSal N.F.
BT45/304-306

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United States
Department of
Agriculture

Forest
Service

Manti-LaSal
National Forest

DIVISION OF
OIL, GAS & MINING
599 West Price River Dr.
Price, Utah 84501

Reply to: 2820

Date: August 29, 1989

Susan C. Linner
Permit Supervisor
Utah Division of Oil, Gas, and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RE: Genwal Coal Company Response to Stipulation 1 of State Permit and
Decision Package for the Crandall Canyon Mine (ACT/015/031) - Handling
Sediment Pond Sludge.

Dear Ms. Linner:

Genwal's provision 3.3.9.3 for handling sediment pond sludge should be revised
to prevent problems that we foresee.

The following revision is recommended.

Prior to cleaning the sediment pond, the sludge will be tested for any
toxic contaminants. If toxic contaminants are present, the Department of
Health and the Division of Oil, Gas, and Mining will be consulted about the
proper method of offsite disposal. Non-hazardous sludge removed from the
pond will be temporarily stored for drying on the surface west of the coal
stockpile. All moisture and runoff from the sludge pile will be contained.
Preceding the removal of any sediment pond sludge, a meeting will be
arranged with the Division and the Manti-LaSal National Forest to assess
the adequacy of the containment berm.

The main idea expressed in the above change is to test the material in the pond
for toxicity prior to removal. The version submitted to us for review would
have required a DOGM/FS meeting to assess toxicity of the sludge after removal
from the sediment pond. Test data, not a meeting, is needed to assess toxicity,
and if the material is found to be toxic, removal to the temporary storage area
west of the coal stockpile would result in unnecessary and potentially unsafe
double handling of the material.

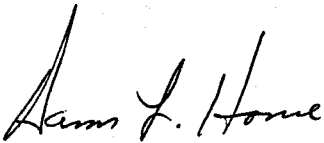
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We are also concerned with Genwal's statement about cleanup of contaminated soil. (See the first paragraph, page 3-20.)

"Oil contaminated soil from the gas and oil storage area will be disposed of at the Sinbad landfill prior to reclamation. Areas outside the berm area will be cleaned and disposed of when more than two gallons have been spilled, or more than ten cubic feet of soil have been saturated."

Without digging up the saturated soil, its volume is impossible to assess. We recommend an area measure, such as ten square feet, be used to trigger cleanup non hazardous materials. All spills of hazardous materials, however, should be cleaned up. See 40 CFR 261. To avoid the effects of multiple spills, the gallons spilled or area of saturated soil should be assessed cumulatively.

Sincerely,



for
GEORGE A. MORRIS
Forest Supervisor